## **Application Guide**

### **Purpose of this guide**

The guide helps your business complete FedDev Ontario's Application for Funding (For-Profit Applicants). This guide explains how to complete each section of the form and how to tailor your responses for the funding for businesses stream.

**Your application must be received within the intake period or your application cannot be considered.**

Blank spaces count against character limits in the application form.

### **Applicant Information (Q1-18)**

This section of the Application for Funding requires all applicants to provide details on their business, including business name, sector and other descriptive information.

**When completing this section, please note the following:**

* **In question 1,** provide your business legal name as it appears on your articles of incorporation document(s). Do not include your own name. If your company conducts business publicly by another operating name, please state this in **question 2**.
* **In question 5,** if you are an Indigenous applicant, a CRA business number is not mandatory to apply and you may, instead, include your 3-digit band number in **question 6**. If you are an Indigenous applicant with a CRA business number, please enter it into the field provided.
* **In question 8,** we want a full picture of your company, its founders and your business operations. Answer all parts of the question. Describe your market, how your business serves its customers, and include details on your company history before incorporation, if applicable. Clearly outline how your firm is managed and governed now and in the future. Include names of owners and their respective percentage of ownership. Tell us about your company's growth and your growth opportunities. Provide background information on key shareholders, board of directors and your management team. To supplement this information, submit the following documents using the "Add Attachments" button on the Application for Funding:
  + a copy of the company's incorporation document(s), including any amendments and information on ownership (names and percentage of ownership)
  + biographies of key management team and project team members
  + additional documents to support this information:
    - letter of support or other documentation if your company has previously received or currently receives support from a business accelerator, an incubator, an angel or venture capital investor and/or other relevant sources.
    - a copy of your company's intellectual property (IP) strategy which, at a minimum, must provide evidence that your company either owns the project IP, has a license to the IP rights from a Canadian licensor, or has secured the rights to IP required for the project.
* **In questions 11-13,** indicate the **current** number of employees for each category. Do not include people employed by suppliers or contracted services.
  + **Full-time employees (FTEs) working in Canada** are those who work a minimum of a 35-hour work week.
  + **Part-time employees (PTEs) in Canada** are those employees who work less than a 35-hour work week.
  + **Number of employees outside of Canada** is the total number of employees (full-time and part-time) working for the business outside of Canada, if applicable.

### **Authorized Project and Financial Contacts (Q19-20)**

We are looking for the names and contact information for the primary contacts for communicating with FedDev Ontario on matters involving the application and project financials (if they are different). Ideally, the authorized contact person is a signing officer for the company who has full authority to bind the company through funding agreements. If the person is not a signing officer of the company, confirmation of that person's right to represent the company may be required. Neither the Authorized Project Contact nor the Financial Contact can be a consultant or third party.

The applicant and/or any parties authorized by the applicant to speak to FedDev Ontario on their behalf must comply with the [*Lobbying Act*](https://laws-lois.justice.gc.ca/eng/acts/l-12.4/) throughout the application process and the life of any funded project. Before communicating with FedDev Ontario about an application, please review the provisions of the Act. For more information on lobbying and the [*Lobbying Act*](https://laws-lois.justice.gc.ca/eng/acts/l-12.4/), consult the [Office of the Commissioner of Lobbying of Canada](https://lobbycanada.gc.ca/en/).

### **Project Information (Q21-35)**

This section provides a detailed account of the proposed project, including duration, location of activities and overall plan. When completing this section, please note the following:

* **In question 22,** please leave this question blank. Funding is provided through the Business Scale-up and Productivity and Community Economic Development and Diversification programs. FedDev Ontario will determine the appropriate program on your behalf.
* **In questions 23-24,** the start date cannot be before the date the application intake closes. On average, projects span between 1-3 years in duration.
* **In question 26,** indicate whether any of the proposed project's activities are expected to occur on federal lands as defined in the [*Impact Assessment Act*, 2019](https://laws-lois.justice.gc.ca/eng/acts/I-2.75/FullText.html). Activities on federal lands could be subject to additional requirements.
* **In question 28,** please describe your project plan and include the detailed steps required to successfully achieve your expected outcomes. Your plan should demonstrate links to the eligible project activities as listed under [Section 2: Who can apply](https://feddev-ontario.canada.ca/en/funding-southern-ontario-organizations/funding-businesses-southern-ontario-2-who-can-apply).
  1. **Note:** if your project involves the late-stage development of a new product for sale please indicate as such and make reference to the [TRL levels below](https://feddev-ontario.canada.ca/en/node/373/latest#toc2) and/or by using [this tool](https://ised-isde.canada.ca/site/clean-growth-hub/en/technology-readiness-level-trl-assessment-tool).
  2. **Note:** depending on the nature of your project activities, you may be expected to complete all federal requirements related to the *Impact Assessment Act 2019*, and the duty to consult with Indigenous Groups as set out in Section 35 of the *Constitution Act, 1982*. To find out more, visit the [Government of Canada and the duty to consult](https://www.rcaanc-cirnac.gc.ca/eng/1100100014649/1609248789946).
* **In question 29,** briefly describe the objective and expected outcomes of your project. This section should serve as a rationale for why this project should receive funding. In providing your response, consider:
  1. The expected outcomes and benefits of the project (e.g., number of jobs created and retained, creation of new products/processes, revenue growth, export, supply chain benefit, creation of new IP).
  2. How and the extent to which the proposed project aligns with [intake priorities](https://feddev-ontario.canada.ca/en/funding-southern-ontario/funding-businesses-southern-ontario-how-apply#df1).
     + **Note:** if your project addresses the priority to support clean economic growth and/or to create economic opportunities for underrepresented groups, please provide details in [question 30](https://feddev-ontario.canada.ca/en/funding-southern-ontario/funding-businesses-southern-ontario-how-apply#q39) and [question 31](https://feddev-ontario.canada.ca/en/funding-southern-ontario/funding-businesses-southern-ontario-how-apply#q31), respectively.

**Intake priorities**

* **Clean economic growth** - projects that support the greening of the economy, that can contribute to emissions reductions, and that create sustainable and green jobs.
* **Growth companies** - projects that accelerate business development and growth.
* **Technology** - projects in cutting-edge sectors (e.g., artificial intelligence, cybersecurity, medical technologies, digital health and agri-tech).
* **Industrial transition** – projects that support change in traditional sectors to adopt new technologies and other innovations to improve their competitiveness and build new opportunities (e.g., the adoption of automation in manufacturing to increase efficiency and productivity).

Priority may be given to projects that support the transition to **zero-emission vehicles** and **housing manufacturing innovation**.

We welcome projects that create new **opportunities for underrepresented groups** and promote **growth across urban centres and small and rural communities** alike.

* **In question 30,** indicate and provide details on the [clean growth](https://feddev-ontario.canada.ca/en/funding-southern-ontario/funding-businesses-southern-ontario-how-apply#df2) benefits of your project, including how environmental benefits will be realized and/or information on clean technologies being developed, commercialized or adopted. Where possible, provide metrics to quantify the impact (e.g., percentage of energy or water saved, amount of greenhouse gas emissions reduced, amount of waste diverted from landfill, amounts of air pollutants reduced, etc.). Include a timeframe over which these benefits will be realized.

Definition: Clean growth

* **In question 31,** provide information about diversity, equity, and inclusion at your company.  
  The Government of Canada is committed to diversity, equity, and inclusion so that all Canadians have the opportunity to participate in and contribute to the growth of the economy. Gender, equity, and diversity data collected may be used for research, statistics, program and policy evaluation, risk management, strategy development, reporting, and gender-based analysis (including GBA+). This information can help the Government of Canada monitor progress on inclusive access to federal support programs and services, identify and remove barriers, and make changes to improve inclusive access. Aggregate and anonymous data may be shared with other federal organizations and published for reporting and monitoring purposes.
* **Question 31 has 3 components:**
  1. The first column of the table is a voluntary self-declaration to indicate if your company is led or majority-led by 1 (or, if applicable, more than 1) underrepresented group. This data is used for statistical purposes only. **Note**: selecting all options is not necessary and may skew the data. Choose the group or groups that most closely align with your company's leadership composition. If none apply, or you wish not to self-declare, this section can be left blank.  
     **Note:** "led or majority-led" describes companies where members of underrepresented groups are involved in long-term control and management of the business or organization and play an active role in both strategic and day-to-day decision making.
  2. The second column seeks to understand whether the project will benefit or encourage the inclusion of 1 or more underrepresented group. Select all that apply but note the responses to this column are linked to the third section of this question, where applicants must explain how their organization will influence federal inclusive growth priorities for each group selected.
  3. In completing the third section, describe in detail how your organization and project promotes diversity, equity and inclusion, and include any supporting documentation with attachments, if applicable. Please explain both ongoing and planned methods in which your organization is addressing the representation of underrepresented groups. Examples of initiatives could include an organizational diversity plan or policies and participation in the [50-30 Challenge](https://feddev-ontario.canada.ca/en/funding-southern-ontario/funding-businesses-southern-ontario-how-apply#df3). Describe relevant results and the timeframe in which they will be achieved (for example: 75% of jobs created and maintained through the project to be staffed by members of underrepresented groups). Refer to the guidance in **question 36** when describing results.

The 50-30 Challenge

* **In question 32,** list any key project partners and their role(s) in the project. These may include other businesses (suppliers or customers), financial partners, business accelerators and incubators or other government departments invested in the completion and the success of the project. Describe, in detail, the nature of these partnerships.  
  **Note:** You will also be asked to describe the financial contributions to be made and the status of each contribution (e.g., confirmed, pending confirmation, to be requested) for each identified key project partner in the [Project Budget section](https://feddev-ontario.canada.ca/en/funding-southern-ontario/funding-businesses-southern-ontario-how-apply#toc1e). If your project is approved, you will need to confirm all sources of the matching funding within 30 days of being notified.
* **In question 33,** describe the market opportunity that your project will address and how your project will help differentiate you in the marketplace within Canada and internationally. Include a list of your major competitors and identify if your project will impact other businesses in Canada. Describe if, how and the extent to which you have a competitive advantage over competition. Refer to [Section 1: What we support](https://feddev-ontario.canada.ca/en/funding-southern-ontario-organizations/funding-businesses-southern-ontario-1-about) and [Section 2: Who can apply](https://feddev-ontario.canada.ca/en/funding-southern-ontario-organizations/funding-businesses-southern-ontario-2-who-can-apply) for the intake priorities and eligible project activities, respectively.
* **In question 34,** indicate key risks associated with the project (e.g., financial, trade, regulatory, implementation, any risks that may impact a successful project outcome) and potential risk to the broader economy (e.g., cybersecurity, privacy). Also, please identify risk mitigation measures for the project.
* **In question 35,** illustrate why financial assistance is required for this project (i.e., to quickly seize an untapped market opportunity) and explain what the impact would be if the requested funding was not received. This section could include the broader impact(s) on the business, sector or region if funding is not received. Be sure to include how this funding would impact the sustainability of your business both for the duration of the project and after project completion and how the project improves the future outlook for your business.

**Tips:** When providing your responses to the above set of [questions (Q29-35)](https://feddev-ontario.canada.ca/en/funding-southern-ontario/funding-businesses-southern-ontario-how-apply#q29), please be sure to consider and address the extent to which your company and project may be aligned with any of the following elements (as applicable):

* **Part of a key cluster or sector -** Indicate how your company is part of an established or emerging economic sector or cluster in southern Ontario. Be sure to describe the relative size and competitive advantages of the identified sector or cluster, and how the project will impact the supply chain, sector or cluster on a regional, national and/or global level.
* **Economic benefits beyond your company -** Describe the extent to which your project will foster a greener, inclusive and more globally competitive southern Ontario economy. Explain the level of [innovation](https://feddev-ontario.canada.ca/en/funding-southern-ontario/funding-businesses-southern-ontario-how-apply#df4) or technology disruption expected to result from the project (i.e., first-in-Canada creation or adoption of leading-edge technology), results of commercialization (including supporting a first sale or growth into new markets), creation of IP, partnering with research institutions, increased participation of underrepresented groups in the workforce, environmental improvements, etc.
* **Gaps and opportunities -** Focus on the ways in which your project addresses unmet market demand and/or would strengthen southern Ontario's regional competitiveness. If your project is of particular importance to the economic resilience of a community or region, describe this context in detail (i.e., your company is the largest employer in town, the community is undergoing an economic transformation, etc.)

What is innovation?

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### **Project Results (Q36)**

All values provided under this section must be measurable and verifiable. Recognizing that not all indicators apply to every project proposal, applicants can select "No" for any of the options and will not need to complete the corresponding "Amount" column.

All amounts reported in this section must be measured from the estimated Start Date of the project to the End Date of the project. Any details provided in this section should be as realistic and achievable as possible, as you will be asked to report on these results throughout the project's duration. Any benefits that fall outside of this timeframe but the applicant wishes to highlight should be included in [question 29](https://feddev-ontario.canada.ca/en/funding-southern-ontario/funding-businesses-southern-ontario-how-apply#q29).

Please refer to [Annex B](https://feddev-ontario.canada.ca/en/funding-southern-ontario/funding-businesses-southern-ontario-how-apply#toc3) for definitions of each indicator.

### **Project Budget (Q37-38)**

By completing this section, you are providing FedDev Ontario with the key project financing information needed to assess whether the resources requested are appropriate for further review, including:

* estimated total project costs, how much funding you are requesting, and a breakdown of this funding by federal fiscal year and cost category
* whether you have secured your portion of the financing, and the source(s) and status of any other funding

Information provided in this section may be supported with a more detailed project budget and breakdown of costs submitted as an attachment. If your project is approved, you will need to confirm all sources of the matching funding within 30 days of being notified.

**Important notes:**

* All eligible costs must be reasonable and directly related to eligible project activities. Please see [Annex C](https://feddev-ontario.canada.ca/en/funding-southern-ontario/funding-businesses-southern-ontario-how-apply#toc4) for more details on eligible and ineligible costs.
* State costs in Canadian dollars (CAD) over the span of the project duration (**Note:** fiscal year is defined as April 1 to March 31).
* Costs incurred before the application intake deadline (June 24, 2024) cannot be considered eligible costs.
* If there are no costs associated for a cost category, enter "0" in the amount column for that cost category.
* All projects and associated costs must be completed by the estimated End Date of the project.

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### **Financial Information (Q39-41)**

This section allows FedDev Ontario to assess your company's capacity to undertake the proposed project, including:

* If you have received government funding from any level (federal, provincial, municipal) in the last 5 years (**question 39**) and, if applicable, use some of the space provided in **question 40** to explain the status and outcomes of this funding.
* Include an explanation of the status of any funding related to this project (e.g., confirmed, pending confirmation, to be requested). Explain if funding from any sources is pending, confirmed or is contingent on receiving FedDev Ontario funding or any other requirements.
* Your company's financial performance (e.g., assets, liabilities, cost structure, revenue streams). For pre-revenue firms, indicate funding received from an accredited angel or venture capital sources and identify cash flows during the project.  
  **Note**: in-kind contributions and cash from forecasted revenue cannot be leveraged as a source of project financing.
* **Note**: forecasted revenue cannot be leveraged as a source of project financing.
* **Note**: the information provided is important to demonstrate the ability to repay the contribution.
* Include any information regarding the project budget that was not reflected in the application form. Include sales growth and financial projections as applicable to the project activities.
* As FedDev Ontario funding does not support ongoing operating costs, please indicate cash flows and plans to support your operations post-project, including jobs created and maintained post-project, if applicable.

### **Certification**

Please ensure the certification section is completed by the authorized contact, who is also a member of your organization with signing power/authority to enter into a legally binding agreement with FedDev Ontario. **Note:**

* Certification is the act of signing a formal document to confirm that you are bound by its contents.
* Making a false statement or providing misleading information may result in the Minister exercising any remedy available to them at law.
* You must review each statement and sign the Certification; this includes certifying that the applicant is not engaged in any illegal or criminal activity and does not promote violence, incite hatred or discriminate on the basis of sex, gender, identity or expression, sexual orientation, colour, race, ethnic or national origin, religion, age, or mental or physical disability, contrary to applicable laws.
* Checking 'I Agree' provides an authorized signature of your organization certifying both the information provided on the application and that you are duly authorized to submit the application on the organization's behalf.
* Funding for the purposes of the project should not be knowingly used, either directly or indirectly, in a manner that breaches economic sanctions imposed by Canada as described under the [*Special Economic Measures Act*](https://laws-lois.justice.gc.ca/eng/acts/s-14.5/index.html). Information on Canadian sanctions and export and import controls can be found at the following:
  + [Canadian sanctions (international.gc.ca)](https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/index.aspx?lang=eng)
  + [Types of sanctions](https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/types.aspx?lang=eng)
  + [Export and import controls](https://www.international.gc.ca/controls-controles/index.aspx?lang=eng)

### **Confidentiality, Reporting, and Visibility Requirements**

FedDev Ontario may consult external experts as part of the application assessment process (for example, other government departments and agencies) and share applicant information with such experts. Any confidential or proprietary information should be marked as such. In addition, all information provided by the applicant is subject to the [*Access to Information Act*](https://laws-lois.justice.gc.ca/eng/acts/A-1/index.html) and [*Privacy Act*](https://laws-lois.justice.gc.ca/eng/acts/P-21/index.html).

If approved for funding, the names of recipients, amounts awarded and project descriptions will be disclosed publicly. Recipients will also be required to submit reports and other statements that provide details on project performance and comply with official languages and [visibility and funding acknowledgement](https://ised-isde.canada.ca/site/feddev-ontario/en/visibility-guidelines?OpenDocument#sa) requirements in the contribution agreement.

### **Other**

FedDev Ontario reserves the right to modify these guidelines at any time without notice and may waive certain requirements on an exceptional basis.

## **Application Checklist**

Please be sure to attach all mandatory and other supporting documents to your application.

### **Mandatory attachments:**

* Financial statements (interim/annual, balance sheets and other financial documentation) for the last 2 years. Financial statements with Audit or Review Engagement are preferred. Financial statements **must be** externally prepared
* Financial projections for the next 3 to 5 years, including from estimated project Start Date to estimated project End Date. Include projections for the information found on the company's balance sheet (e.g., assets, liabilities, equity) and the profit and loss statement, including revenue growth.
* Articles of incorporation/amendments or similar documents.
* Biographies of key management and technical staff required to complete the project and a diagram of the company's organizational structure.
* A work plan or project schedule that outlines major activities, milestones and detailed project budget (as already summarized in the Application for Funding).
* A breakdown of the types and numbers of jobs to be created or maintained immediately following project completion and 2 years post-project completion (as already summarized in the Application for Funding).
* A summary of how the project contributes to 1 or more of the intake priorities.
* Copies of letters of intent/support or similar documentation from partners, as already detailed in the Application for Funding.

**Additional documents that may be required**

* Your intellectual property (IP) strategy (required for IP-intensive firms or projects that involve creating or licencing IP).
* Logical and physical diagrams, device and/or apparatus drawings/photos, or other relevant documentation regarding your technology (if applicable to your project).
* Supporting documents related to how your company and proposed project promotes diversity, equity and inclusion for underrepresented groups in the economy (if applicable to your application).

**Note**

Should your project be approved, FedDev Ontario will ask for additional documentation to satisfy terms and conditions set out in a contribution agreement. This will include, but is not limited to: insurance coverage, conflict of interest, financial management, project expenditures and performance measurement and reporting.

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## **Annex A – Technology Readiness Levels Descriptions**

These guidelines make reference to technology readiness levels. The technology readiness level (TRL) is a scale of 1 to 9 which reflects different stages of development of a technology. Please refer to the following TRL descriptions.

| **Technology Readiness Level (TRL)** | **Description** |
| --- | --- |
| TRL 1—Basic principles observed and reported | Lowest level of technology readiness. Scientific research begins to be translated into applied research and development (R&D). Examples might include paper studies of a technology's basic properties. |
| TRL 2—Technology concept and/or application formulated | Invention begins. Once basic principles are observed, practical applications can be invented. Applications are speculative, and there may be no proof or detailed analysis to support the assumptions. |
| TRL 3—Analytical and experimental critical function and/or characteristic proof of concept | Active R&D is initiated. This includes analytical studies and laboratory studies to physically validate the analytical predictions of separate elements of the technology. |
| TRL 4—Product and/or process validation in laboratory environment | Basic technological products and/or processes are tested to establish that they will work. |
| TRL 5—Product and/or process validation in relevant environment | Reliability of product and/or process innovation increases significantly. The basic products and/or processes are integrated so they can be tested in a simulated environment. |
| TRL 6—Product and/or process prototype demonstration in a relevant environment | Prototypes are tested in a relevant environment. Represents a major step up in a technology's demonstrated readiness (e.g., testing a prototype in a simulated operational environment). |
| TRL 7—Product and/or process prototype demonstration in an operational environment | Prototype near or at planned operational system and requires demonstration of an actual prototype in an operational environment (e.g., in a vehicle). |
| TRL 8—Actual product and/or process completed and qualified through test and demonstration | Innovation has been proven to work in its final form and under expected conditions. In almost all cases, this TRL represents the end of true system development. |
| TRL 9—Actual product and/or process proven successful | Actual application of the product and/or process innovation in its final form or function. |

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## **Annex B – Project Indicator Definitions**

**Increased domestic revenues**

Indicate the total value of increased revenues within Canada for your business as a direct result of the project activities. Estimates cannot include non-project activities or revenue generated outside of the estimated Start Date and End Date of the project.

**Increased exports**

Indicate the total value of increased revenue outside of Canada for your business as a direct result of the project activities. This includes the export revenue of goods and services by businesses supported through FedDev Ontario funding. Estimates cannot include non-project activities or revenue generated outside of the estimated Start Date and End Date of the project.

**Increased clean tech sales**

Clean technology refers to any process, products or service that reduces environmental impacts. Indicate the total value of clean technology sales as a direct result of your project. These sales can either be in Canada or outside of Canada. Clean technology can be considered to consist of any product, process, or service designed with the primary purpose of contributing to remediating or preventing any type of environmental damage.

**New foreign investment in Canada**

Indicate if the project will result in new foreign direct investment in Canada. This investment must be a direct result of the project activities and cannot include investments that would have occurred if the project did not proceed. Estimate the cumulative value of the investment from the estimated Start Date of the project to the End Date of the project. Do not include investments that will be made beyond project completion.

**Number of businesses supported**

Indicate the number of private sector entities supported by the contribution through services and/or funding (e.g., incorporated company, proprietorship).

**Number of organizations supported**

Indicate the number of non-private sector entities supported by the contribution through services and/or funding (e.g., university, college, not-for-profit organization).

**New partnerships/collaborations created**

Indicate if your project will create new partnerships or collaborations:

* **Partnerships:** Businesses or organizations contracted to perform a service or supply materials in support of the project.
* **Collaborations:** Groups or organizations that contribute in cash or in-kind in support of the project.

**New investments in advanced technology(ies)**

Indicate the total value of new investments in advanced technologies as a direct result of project activities. Do not include investments that will be made beyond project completion.

**New intellectual property (IP) created or licensed**

Indicate the number of new intellectual property expected to be created or licensed as a direct result of this project. This can include IP created or licensed by either the applicant or a project partner.

**Number of new products or services commercialized**

Indicate the number of products, processes, or services that will be commercialized as a direct result of this project. This can include products or services commercialized by either the applicant or a project partner.

**New skills development, training/mentorship to be provided**

Indicate whether project activities will include providing skills development and training/mentorship to employees and the number of employees that will receive this. Do not include skills development that will be provided beyond project completion.

**Funding leveraged**

Funding leveraged is calculated by subtracting the FedDev Ontario contribution from the total project cost. This can include funding provided by the applicant, project partners or other funding organizations.

**Total number of jobs created and maintained at the End Date of your project and 2 years post-project completion**

Indicate in the respective fields how many full-time equivalent (FTE) jobs are expected to be created and maintained as a direct result of your project both in the near-term (i.e., immediately following project completion) as well as 2 years after the project is completed. Permanent positions are defined as a position without a fixed end date. A temporary (or contract) position indicates a position with a fixed end date.

* A job created refers to a job that did not exist prior to the project but was created as a direct result of the project activities. This applies to the period immediately following project completion as well as 2 years post-project completion.
* Maintained refers to employment that existed prior to the project but which would not have continued, or would have been unlikely to continue if the project had not been funded. **Tip:** do not include all jobs at the company but rather only those impacted by the funding request (this can be zero). This applies to the period immediately following project completion as well as 2 years post-project completion.

For reference, please review details in the above guide for Application for Funding [questions 11-13](https://feddev-ontario.canada.ca/en/funding-southern-ontario/funding-businesses-southern-ontario-how-apply#q11) for details on how to calculate FTEs.

To supplement this information, please attach a list of the types (including permanent and temporary, management, technical, professional etc.) and the number of jobs that will be created or maintained immediately following project completion and 2 years post-project completion.

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## **Annex C – Cost Categories**

Eligible project costs must be reasonable, verifiable, incremental, and directly support project activities. Eligible project costs do not include ongoing costs of production or operations. Generally, the following are eligible cost categories:

### **Capital Costs**

* **Machinery and equipment:** the purchase and/or installation of equipment, machinery or software directly related to, or necessary for, the completion of the project. Regularly scheduled capital expenditures, asset replacement and/or purchase/lease or operations of personal vehicles and off-site equipment are not eligible.
* **Project facilities and infrastructure:** costs for renovation, site or leasehold improvements directly related to the purchase or installation of specialized equipment or assets related to the project will be considered.
* The purchase of land, building(s) or vehicles is not eligible.

### **Non-capital Costs**

* **Labour:** incremental salaries and benefits for individual employees directly related to completing the activities of the project, other than those covered under Expertise (contracted services) or Project Management costs.
* **Expertise:** incremental fees paid to professional and technical personnel, consultants, engineers or contractors. Costs of external (third-party) consultants paid to prepare an application are not eligible.
* **Marketing and outreach:** where relevant to the project, include costs to promote project activities, commercial demonstration of products, processes and services resulting from the project, translation and other related costs. Hospitality and entertainment costs are not eligible.
* **Training and talent:** where relevant to the project, include training sessions, course material, external trainers and other reasonable costs such as training and talent costs not covered by another cost category.
* **Materials:** cost of direct materials used for the completion of the project, including materials to configure and test production systems, prototypes and product testing, and for software or other non-capital equipment. Raw materials and materials consumed for regular operations or for inventory are not eligible.